Posttest - Module #3: Kick Some Buck

Test version: 2.1

Student: _____
Teacher: _____
Class: _____

Question 1
Select the one statement that accurately describes credit bureaus (also called "credit reporting agencies").

A Credit bureaus keep records of your spending habits for seven to ten years.
B Credit bureaus are the companies that issue credit cards.
C Credit bureaus are not-for-profit agencies whose main purpose is to serve consumers.
D Credit bureaus are the institutions that issue driver licenses.

Question 2
Which statement is true?

A Your credit history and your credit score mean nothing. You can ignore it and nothing happens.
B Your credit history and your credit score hold the key to your financial future.

Question 3
Why do companies check your credit rating?

A To buy an ice cream cone.
B Because many companies believe your credit history lets them know if you would be a good or bad employee.
C To buy DVDs.
D All of the above.

Question 4
A "credit score" is a three-digit number which rates how much a company likes you personally.

True
False

Question 5
Which statement is true?

A Since my credit score is going to impact my freedom, my job, and my goodie collection, I should start thinking about my credit score now.
B Credit scores don't have anything to do with me yet. After my thirtieth birthday, that's when I'll worry about credit scores.

Question 6
Which statement is true?

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A My goal should be to have a high credit score.
B My goal should be to have a low credit score.

Question 7
Which of these credit scores represents the worst credit rating?

A 702.
B 350.
C 810.
D 512.

Question 8
The main job of credit bureaus is to teach you how to have a high credit score.

True
False

Question 9
Utility companies such as phone, electric and gas companies generally do not care about your credit history and will always let you use their services, even if you have bad credit and even if you don't pay them.

True
False

Question 10
Which statement is true about risk-based financing?

A Risk-based financing lets you determine the amount you can afford to pay for something on a monthly basis.
B Risk-based financing is how much money a company puts in high-risk investments.
C Risk-based financing is how a company decides to pay your salary.
D Risk-based financing is a way that lenders determine your interest rate for a loan based on how likely you are to repay that loan.

Question 11
Which one of the following statements about risk-based financing is FALSE?

A Risk-based financing is illegal and cannot be used by companies.
B The greater the risk you are, the more you will pay.

Question 12
Because your credit rating is low, a company charges you more interest on a loan. But the interest rate is not directly related to your credit. This company charges you as much as it can, simply because they think you have no other choices. This is a definition of:

A Predatory lending.

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B Risked Based Financing.
C Good Business.
D The way all credit companies and banks work.

Question 13
Your credit score says most companies will loan you money at ten percent interest. A company agrees to loan you money at twenty percent interest. This is an example of what?

A An example of a good deal for you.
B Risk Based Financing.
C Businesses best practices.
D Predatory Lending.

Question 14
Which of the following things will affect your credit score?

A Skipping payments on your cell phone account.
B Paying your bills on time.
C Paying your bills late.
D All of the above.

Question 15
The business that gives you a loan or rents you an apartment is the one in charge of your credit record and credit score.

A Yes, absolutely.
B No, I am in charge of my credit history.
C No, my high school business teacher is in charge.
D No, my parents are in charge because they can officially pass their credit down to me.

Question 16
Which of the following statements is TRUE?

A Missed or late payments will be removed from my credit history within 3 years.
B The credit history of borrowers is shared with other financial institutions. This means all lenders are likely to know of any payments that you have missed.
C Your credit history is private information that may not be shared with anyone under any circumstances.
D There are so many banks, credit unions and credit card companies in the world. It is too difficult for them to keep track of people who miss payments.

Question 17
Which of the following statements about your credit report is most accurate?

A Every time you check your own credit it hurts your score.
B Your credit information is the property of the government and cannot be shared with anyone.
C You cannot see your credit record.

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D Your credit report can be checked once a year for free at the major credit reporting agencies.

Question 18
Most businesses only tell you the good things about their product or service. Your job is to buy a product or service based on what a business says.

True
False

Question 19
It will always take at least seven years to rebuild bad credit into good credit.

True
False

Question 20
Your credit score rules your life - that's reality. Which of these statements is an example of that reality?

A The lower the credit score, the greater chance you have of qualifying for a loan.
B The higher your credit score, the less chance you have of qualifying for a loan.
C The higher your credit score, the higher chance you have of qualifying for a loan.
D None of the above.

Question 21
What can you look for to tell you that an article is native advertising?

A There are no clues to distinguish it from a regular article.
B The article says "native advertising".
C A pop-up letting you know.
D Words like "custom content".

Question 22
Why should you do research beyond an article you read?

A It may be native advertising.
B The source of the article may not be impartial.
C To learn about alternative solutions.
D All of the above.

Question 23
Native advertising can include all of the following except:

A Independent journalists
B Promoted posts.
C News articles.
D Recommendation widgets.

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Answer key

1. A
2. B
3. B
4. False
5. A
6. A
7. B
8. False
9. False
10. D
11. A
12. A
13. D
14. D
15. B
16. B
17. D
18. False
19. False
20. C
21. D
22. D
23. A

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